

Message Text

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ACTION STR-04

INFO OCT-01 IO-10 ISO-00 STRE-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 AF-06 ARA-06 EA-07 EUR-12 NEA-10 /132 W

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FM USDEL MTN GENEVA

TO SECSTATE WASHDC PRIORITY 994

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ACTION STR

E.O. 11652: NA

TAGS: ETRD MTN

SUBJ: US PARTICIPATION IN NOTIFICATION AND CONSULTATIONS

PROCEDURES IN GROUP AGRICULTURE

REF: A) MTN GENEVA 9199; B) MTN GENEVA 9323

1. MTN DEL SUBMITS HERewith ITS RECOMMENDATIONS AND RATIONALE FOR STEPS US SHOULD TAKE IN ACCORDANCE WITH AGREED PROCEDURES AND WORK PROGRAM CONCERNING TARIFF AND NON-TARIFF MEASURES AFFECTING AGRICULTURE PRODUCTS OTHER THAN THOSE COVERED BY THE PRODUCT SUB-GROUPS. TEXT OF TEMPORARY RESOLUTION OF PROCEDURAL IMPASSE IS CONTAINED REF A; WORK PROGRAM ADOPTED BY GROUP AGRICULTURE REPORTED REF B.

2. THERE ARE TWO SCHOOLS OF THOUGHT: ONE IS SIMPLY TO LET GROUP AGRICULTURE COMPROMISE SIT AND DO NOTHING TO IMPLEMENT IT; THE OTHER IS TO TRY TO IMPLEMENT IT IN WAYS CALCULATED TO ADVANCE OUR TACTICAL INTERESTS. FOR THE LIMITED OFFICIAL USE

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REASONS STATED BELOW, MTN DEL OPTS FOR SECOND APPROACH.

3. SHOULD THE US NOTIFY? RECOMMENDATION: YES, BECAUSE (A) REF B SEEMS TO COMMIT US TO DO SO ("GROUP AGRICULTURE AGREED.. COUNTRIES CONCERNED WOULD NOTIFY...ANY TARIFF OR NON-TARIFF MEASURES AFFECTING AGRICULTURE PRODUCTS (OTHER THAN MEAT, DAIRY, AND GRAINS) THAT ARE OF DIRECT INTEREST FOR THEIR TRADE"; B) FAILURE TO DO SO WOULD RISK EXCESSIVE FOCUS OF GROUP AGRICULTURE WORK, INCLUDING BILATERAL AND PLURILATERAL CONSULTATIONS UNDER THE AGREED PROCEDURES, ON LDC TRADE INTERESTS; MOREOVER, WE WOULD QUITE QUICKLY BE SUBJECTED TO LDC PRESSURE TO NOTIFY IN ORDER TO LIVE UP TO THE COMPROMISE. THIS WOULD OCCUR THROUGH CALLS FOR NEW GROUP AGRICULTURE MEETING TO POINT FINGER AT NATIONS WHO ARE DRAGGING THEIR FEET; AND (C) US NOTIFICATIONS OFFER US AN OPPORTUNITY TO PRESERVE (AND FAILURE TO NOTIFY WOULD UNDERMINE) OUR FUNDAMENTAL POSITION ON THE NON-AUTONOMOUS NATURE OF NEGOTIATIONS UNDER GROUP AGRICULTURE AUSPICES INASMUCH AS THE AGREED PROCEDURES REQUIRE IMMEDIATE COMMUNICATION OF INFORMATION ON CONSULTATIONS TO ALL RPT ALL GROUPS; THIS HAS AT LEAST THE POTENTIAL OF OPENING DOOR THAT HAS BEEN BLOCKED TO DISCUSSION IN "FUNCTIONAL" GROUPS OF ALL BARRIERS AFFECTING AGRICULTURE INCLUDING TARIFFS, VLS, MIPS, AND SUBSIDIES.

4. WHOM TO NOTIFY? THESE PROCEDURES SHOULD BE USED TO INITIATE CONSULTATIONS WITH THOSE COUNTRIES THAT HAVE REFUSED TO DISCUSS MEASURES AFFECTING THESE PRODUCTS UNDER THE CURRENT FUNCTIONAL GROUPS--I.E., THE "IMPASSERS", NAMELY THE EC, NORDICS, SPAIN AND JAPAN. THEREFORE, US SHOULD NOTIFY ONLY THE IMPASSE COUNTRIES; FOR THE NON-IMPASSE COUNTRIES, US SHOULD CONTINUE ALONG CURRENT GROUP PROCEDURES. AN APPROPRIATE INTRODUCTORY COMMENT SHOULD BE INCLUDED IN ANY US NOTIFICATION TO AVOID ANY POSSIBLE MISINTERPRETATION THAT OUR NOTIFICATIONS WITH RESPECT TO "IMPASSERS" COERS OUR TOTAL INTEREST IN AGRICULTURAL BARRIERS IN ALL MARKETS.

5. WHEN SHOULD WE NOTIFY? RECOMMENDATIONS: AS SOON AS PRACTICABLE AND PREFERABLE VIA INSTALLMENTS BECAUSE -(A) TO DELAY WOULD RUN RISKS CITED PARA 2 ABOVE; AND (B) COMPILATION LIMITED OFFICIAL USE

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OF ALL BARRIERS OF INTEREST IN ALL MARKETS WILL OBVIOUSLY BE A LARGE UNDERTAKING. THIS DOES NOT MEAN WE HAVE TO BE AMONG VERY FIRST TO NOTIFY; THERE MAY BE ADVANTAGE TO SEEING WHAT OTHERS DO. BUT WE SHOULD BE READY TO NOTIFY, SHOULD WE DECIDE TO DO SO, BY EARLY FEB.

6. WHAT SHOULD WE NOTIFY? RECOMMENDATION (A) DEFER NOTIFICATION ON TARIFF MEASURES SINCE THIS COULD UNDERCUT

PRESENTATION OF SINGLE INDUSTRY/AGRICULTURE TARIFF FORMULA OR FORMULAE IN TARIFF GROUP, AND B) NOTIFICATION OF NON-TARIFF MEASURES SHOULD BE SELECTIVE AND CAREFULLY FORMULATED TO PRESERVE AND ADVANCE OUR FUNDAMENTAL POSITION ON NON-AUTONOMOUS NATURE OF NEGOTIATIONS UNDER AUSPICES OF GROUP AGRICULTURE, MORE SPECIFICALLY:

(I) QR'S: THE UNITED STATES HAS ALREADY SUBMITTED NOTIFICATIONS ON QR'S IT WISHES TO DISCUSS. IT HAS SUBMITTED THESE QR'S UNDER PROCEDURES SIMILAR TO THOSE AGREED IN THE AGRICULTURE GROUP. THE IMPASSERS HAVE RESPONDED TO OUR CONSULTATION REQUEST BY REQUESTING DEFERRAL OF SUCH CONSULTATIONS UNTIL PROCEDURES WERE AGREED IN THE AGRICULTURE GROUP. THESE PROCEDURES HAVE NOW BEEN AGREED. THEREFORE, WE NEED ONLY SEND LETTERS TO THE IMPASSE COUNTRIES SUGGESTING A TIME AND LOCATION FOR OUR QR CONSULTATIONS. NOTHING NEED BE DONE FOR THE NON-IMPASSE COUNTRIES WITH WHOM WE HAVE ALREADY HELD QR CONSULTATIONS ON AGRICULTURE PRODUCTS. ADDITIONALLY, THE RESULTS OF THESE CONSULTATIONS NEED ONLY BE REPORTED TO THE QR SUBGROUP. REPORTS OF THE CONSULTATIONS WITH THE IMPASSERS, HOWEVER, WOULD HAVE TO BE NOTIFIED ACCORDING TO THE AGRICULTURAL PROCEDURES.

(II) VARIABLE LEVIES AND MIPS. AS THESE WERE INCLUDED FOR VIRTUALLY ALL IMPASSERS IN OUR ORIGINAL QR NOTIFICATIONS, ON GROUNDS THAT THEY ARE MEASURES HAVING THE EFFECT OF QRS, THEY WOULD BE ENCOMPASSED BY THE PROCEDURE DESCRIBED ABOVE (NOTWITHSTANDING EC REJECTION OF OUR SUBSTANTIVE ARGUMENT THAT VLS AND MIPS EQUIVALENT TO QRS). IN OUR WRITTEN SUGGESTIONS TO THE IMPASSERS ON TIME AND PLACE FOR THE PREVIOUSLY REQUESTED CONSULTATIONS, WE COULD IN ADDITION REQUEST THAT CONSULTATIONS BE PLURILATERAL FOR VLS AND MIPS, AND FOLLOW UP BY INVITING THE FRIENDLIES (CANADA, AUSTRALIA, ETC.) TO JOIN WITH US IN THESE PLURILATERAL CONSULTATIONS. THE PRACTICAL EFFECT WOULD BE, WITHIN THE TERMS AGREED UPON IN THE AG GROUP, TO LIMITED OFFICIAL USE

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HAVE ESTABLISHED A DE FACTO VLS:MIPS SUBGROUP.

(III) OTHER NTMS: FOR THOSE NON-TARIFF MEASURES CURRENTLY BEING DISCUSSED IN THE MTN WORK PROGRAM, WE WOULD MAKE NO NOTIFICATIONS AT THIS TIME. THESE NTM WOULD BE HANDLED IN THE MANNER OF THE STANDARDS CODE, I.E., A GENERAL SOLUTION WOULD BE WORKED OUT IN THE NTM SUBGROUPS AND REFERRED TO THE AG GROUP FOR "EXPERT" ADVICE. IN THE CASE OF SUBSIDIES THIS WOULD MEAN WE WOULD CONTINUE DEVELOPING A SUBSIDY/COUNTER-VAULT CODE AND EVENTUALLY REFER IT, OR A REQUEST TO DEVELOP AN AGRICULTURAL PROTOCOL, TO THE AG GROUP.

7. NOTIFY TO WHOM? TO SECRETARIAT PER PARA 1 REF B.

8. WOULD US NOTIFICATION CONSTITUTE A "REQUEST LIST" AND THUS PUT AGRICULTURAL WORK AHEAD OF OTHER PARTS OF MTN?

NO, BECAUSE AGREED PROCEDURES SPECIFY NOTIFICATIONS ARE
SIMPLY A LISTING OF BARRIERS OF DIRECT TRADE INTEREST TO
NOTIFYING COUNTRY. NOTIFICATION PROCESS DOES NOT CALL FOR
AND CERTAINLY DOES NOT REQUIRE PRESENTATION OF A PROPOSED
SOLUTION (I.E., A REQUEST FOR A NEGOTIATED CONCESSION) BUT
RATHER, AS IS EXPLICIT IN PARA 1 REF B, AN INITIAL PROCEDURAL
STEP TO START A PROCESS OF "INFORMATION, EXAMINATION AND
DIALOG". THE PROCEDURAL UNBLOCKING OF THE IMPASSE
WHICH HAS THUS FAR PREVENTED THE FUNCTIONAL GROUPS--OR
GROUP AGRICULTURAL ITSELF--FROM EXAMING AGRICULTURAL
ASPECTS OF TARIFFS AND NTMS WOULD NOT PUT AGRICULTURAL
WORK OUT AHEAD OF OTHER PARTS OF MTN BUT SIMPLY GET SOME
WORK STARTED ON BARRIERS AFFECTING LARGE NUMBERS OF PRODUCTS OF
EXPORT INTEREST TO US NOT COVERED BY MANDATE OF SUBGROUPS MEAT,
DAIRY, AND GRAINS. WALKER

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Message Attributes

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Copy: SINGLE
Draft Date: 06 JAN 1976
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Disposition Approved on Date:
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